



CITY OF COMMERCE AGENDA REPORT

TO: Honorable City Council

Item No. _____

FROM: City Manager

SUBJECT: Adoption of a resolution approving the 2nd Amendment to the Memorandum of Understanding (MOU) between the Los Angeles Gateway Region Integrated Regional Management Joint Powers Authority (GWMA) and the City of Commerce

MEETING DATE: October 15, 2019

RECOMMENDATION:

Staff recommends the City Council consider adoption of a resolution approving the 2nd Amendment to the MOU with the GWMA for administration and cost sharing for continued implementation of the WMP and CIMP as regulated under the State Stormwater Permit.

ANALYSIS:

On May 28, 2013, the City Council approved an MOU with the GWMA for the administration and cost sharing related to the development of a joint WMP and CIMP in accordance with the Los Angeles Regional Water Quality Control Board, National Pollutant Discharge Elimination System (NPDES) Municipal Separate Storm Sewer System (MS4) Permit. The purpose of the WMP and CIMP is to establish a Program by which the City of Commerce can make a good faith effort to comply with all applicable Total Maximum Daily Load (TMDL) pollutants affecting water quality such as trash, metals, bacteria and other priority water quality standards.

The WMP and CIMP Plans were developed with our regional partners, the Cities of Bell, Bell Gardens, Cudahy, Huntington Park, Maywood, Vernon and LA County Flood Control District commonly referred to as the Los Angeles River Upper Reach 2 Sub-Watershed (LAR UR2 SW) and received Water Board approval.

On December 2, 2014, Council approved the 1st Amendment to the GWMA MOU for implementation of the Plans and a cost-sharing formula. The term of the current MOU is due to expire on December 31, 2019. The Parties to the MOU would like to extend the term through December 31, 2024.

In addition, a new revenue source exist to cover related stormwater compliance costs since Los Angeles County's Measure W passed with a 2/3 vote of the people in September 2018 that implemented a new MS4 Parcel Tax. Staff presented details of this tax and

programs to Council on March 5, 2019. In summary, this tax funds three programs - regional, municipal and County District. The regional program estimates \$150 million in annual revenues and will fund regional projects and programs with multiple benefits. Agencies will be awarded regional funds through a competitive application system. The Municipal Program estimates \$1 million in annual revenue for Commerce alone beginning in the current fiscal year. The County will send a Fund Transfer Agreement for execution in early 2020 in order to receive the first municipal funds allocation by April 2020. These are restricted revenues which must be spent as follows:

- 70% of the municipal funds must be spent on eligible expenses related to projects or programs implemented on or after November 6, 2018, which also includes operations and maintenance of projects built to comply with the MS4 Permit, and
- 30% may be used to pay for costs and expenses incurred on or after November 6, 2018 related to the continuation of MS4 Programs implemented or the maintenance of Projects implemented prior to November 6, 2018.

The City will need to submit annual Progress/Expenditure Reports to the County for all project related expenses.

Staff recommends adopting the 2nd Amendment to the MOU with the GWMA to extend the term of the Agreement for continued stormwater compliance implementation in the most cost-effective manner.

ALTERNATIVES:

1. Approve staff recommendation
2. Reject staff recommendation
3. Provide further direction to staff

FISCAL IMPACT:

LA County's MS4 Parcel Tax will offset the cost of implementing and updating the WMP and CIMPs. The following is the MOU's previously approved cost share allocation:

Watershed Permittee	Cost Allocation for Implementation of WMP and CIMP	
LA County Flood Control District	Flat 5% contribution of total costs*	
7 participating cities	Equally share 1/7 of 47.5% of the total costs	
	Remaining 47.5% paid as follows:	
	Land Area (mi ²)	Cost Allocation Percentage
Bell	2.64	11.90
Bell Gardens	2.49	11.22
Commerce	6.57	29.61
Cudahy	1.12	5.05
Huntington Park	3.03	13.65
Maywood	1.18	5.32

Vernon	5.16	23.25
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*The Flood Control District is not contributing towards joint regional project costs.

The estimated fiscal impact for *Commerce's share* for continued implementation of the WMP and CIMP is approximately \$250,000 annually, which will be fully funded by the MS4 Parcel Tax. Staff is working with the County to determine other specific eligible expenses that can offset previous General Fund expenses.

RELATIONSHIP TO STRATEGIC GOALS:

This item is related to the 2012 Strategic Goal to develop a tangible environmental mitigation plan.

Approved by: Daniel Hernandez, Director of Public Works and Development Services

Prepared by: Gina Nila, Deputy Director of Public Works Operations

Reviewed by: Josh Brooks, Acting Finance Director

Reviewed by: Vilko Domic, Assistant City Manager

Approved as to form: Norma Copado, City Attorney

Respectfully submitted: Edgar P. Cisneros, City Manager

ATTACHMENTS:

1. Resolution
2. 2nd Amendment to MOU